

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO P-55, SUB 1006

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of		
Southern Bell Telephone and Telegraph)	NOTICE TO SAXAPAHAW
Company - Saxapahaw to Chapel Hill)	SUBSCRIBERS REGARDING
Extended Area Service)	EAS TO THE CHAPEL HILL
)	EXCHANGE

NOTICE IS HEREBY GIVEN that Southern Bell Telephone and Telegraph Company has been authorized by the North Carolina Utilities Commission to poll the telephone subscribers in its Saxapahaw exchange (376) regarding the matter of two-way, non-optional extended area service (EAS) to its Chapel Hill exchange. The purpose of the poll is to determine how many Saxapahaw subscribers are in favor of paying higher monthly flat rates in lieu of toll charges for calling to Chapel Hill. Your existing local calling area will not be affected by this proposal.

BASIC MONTHLY RATE INCREASES
FOR EAS TO CHAPEL HILL

<u>Residence</u>	<u>Business</u>
\$0.53	\$1.68

You are requested to consider the question, mark your preference on the enclosed postcard ballot (stamped and preaddressed), and mail the ballot at your earliest convenience. Ballots postmarked after midnight _____, 1995, will not be counted in the vote. In addition, the ballot must be signed by the customer and a telephone number must be provided in order for the ballot to be counted in the vote. IF YOU WISH TO HAVE A VOICE IN THIS DECISION, YOU MUST RETURN THE MARKED BALLOT. The Commission's decision on the EAS proposal will be announced after the poll has been completed.

CERTIFICATE OF SERVICE

I hereby certify that on this 20th day of September, 1995, a copy of the foregoing was served by first-class U.S. Mail, postage prepaid, to the parties on the attached service list.

Linda Painter

Linda D. Painter

ATTACHMENT III

Michael J. Schwarz
General Attorney

BellSouth Corporation
Legal Department - Suite 1800
1155 Peachtree Street, N.E.
Atlanta, Georgia 30367-6000
404 249-2655

September 21, 1995

Donald J. Russell, Esq.
Chief, Communications and Finance Section
Antitrust Division
U.S. Department of Justice
555 Fourth Street, N.W.
Room 8104
Washington, D.C. 20001

Re: Request by BellSouth Corporation for a Waiver of the Modification of Final Judgment to Provide Two-Way Non-Optional EAS Across a LATA Boundary Between the Wilmington Exchange and a Portion of the Scotts Hill Exchange of BellSouth and the Holly Ridge Exchange of Carolina Telephone.

Dear Mr. Russell:

Attached is a request by BellSouth Corporation on behalf of BellSouth Telecommunications, Inc., doing business as South Central Bell Telephone Company and Southern Bell Telephone and Telegraph Company, for a waiver to provide two-way non-optional extended area service between the Wilmington exchange and a portion of the Scotts Hill exchange of BellSouth in the Wilmington LATA and the Holly Ridge exchange of Carolina Telephone and Telegraph Company in the Fayetteville LATA.

Copies of this request have been served upon the persons listed on the attached Certificate of Service.

Sincerely,



Michael J. Schwarz

MJS/pz
Attachments

cc: J. Philip Sauntry, Jr., Esq.

**NOTICE OF FILING WITH THE DEPARTMENT OF JUSTICE
UNDER SECTION VIII(C) OF THE
MODIFICATION OF FINAL JUDGMENT**

This is to advise you that BellSouth Corporation has submitted, pursuant to procedures set forth by the United States District Court for the District of Columbia in United States v. Western Electric Co., Inc. and American Telephone and Telegraph Company, C.A. 82-0192-HHG, the attached Request of BellSouth Corporation for a Waiver of the Modification of Final Judgment to Allow Provision of Two-Way Non-Optional Extended Area Service Across a LATA Boundary Between the Wilmington Exchange and a portion of the Scotts Hill Exchange of BellSouth in the Wilmington LATA and the Holly Ridge Exchange of Carolina Telephone and Telegraph Company in the Fayetteville LATA. The Department of Justice will receive comments concerning this request, which should be directed to:

Donald J. Russell, Esq.
Chief, Communications and Finance Section
Antitrust Division
U.S. Department of Justice
555 Fourth Street, N.W., Room 8104
Washington, D.C. 20001

Comments should be submitted within twenty-one (21) days. Copies of any such comments should also be served upon undersigned counsel.

Respectfully submitted,

BELLSOUTH CORPORATION

By: Michael J. Schwarz
Walter H. Alford
Executive Vice President and
General Counsel
(admitted pro hac vice)
William B. Barfield
(D.C. Bar No. 52472)
Michael J. Schwarz
(admitted pro hac vice)

Dated: September 21, 1995

Of Counsel:

Leon H. Lee, Jr.
200 S. College Street
1012 Southern National Center
Charlotte, NC 28202
(704) 378-8835

Its Attorneys

Suite 1800
1155 Peachtree Street, N.E.
Atlanta, GA 30309-3610
(404) 249-2641

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA,

Plaintiff,

v.

WESTERN ELECTRIC COMPANY
INC., et al.,

Defendants.

Civil Action File
82-0192 (HHG)

**REQUEST OF BELL SOUTH CORPORATION FOR A WAIVER
OF THE MODIFICATION OF FINAL JUDGMENT TO ALLOW
PROVISION OF TWO-WAY NON-OPTIONAL EXTENDED AREA SERVICE
ACROSS A LATA BOUNDARY BETWEEN THE WILMINGTON EXCHANGE AND A
PORTION OF THE SCOTTS HILL EXCHANGE
OF BELL SOUTH IN THE WILMINGTON LATA AND THE
HOLLY RIDGE EXCHANGE OF CAROLINA TELEPHONE AND TELEGRAPH
COMPANY IN THE FAYETTEVILLE LATA**

BellSouth Corporation, on behalf of its operating telephone company subsidiary, BellSouth Telecommunications, Inc., doing business as South Central Bell Telephone Company and Southern Bell Telephone and Telegraph Company ("BellSouth"), pursuant to Section VIII(C) of the Decree, requests a waiver of the line of business restrictions that would permit it to provide two-way non-optional extended area service ("EAS") across a LATA boundary. The North Carolina Utilities Commission ("NCUC") has issued an order requiring BellSouth and Carolina Telephone and Telegraph Company ("Carolina") to take the action necessary to provide EAS between the Wilmington exchange and that portion of the Scotts Hill exchange served by the 270 prefix (or

"WXX") and the Holly Ridge exchange.¹

BellSouth's Wilmington and Scotts Hill exchanges are in the Wilmington LATA and Carolina's Holly Ridge exchange is in the Fayetteville, North Carolina LATA.² The NCUC ordered Carolina and BellSouth to poll their subscribers based on support from several governmental bodies, schools, churches, civic groups, and petitions signed by approximately 1650 subscribers in the Holly Ridge and Scotts Hill exchanges.³ As shown in the NCUC's Order of March 21, 1995, over 97 percent of the Holly Ridge subscribers and 60 percent of the Scotts Hill subscribers served by the 270 prefix who returned their ballots favored the EAS proposal.⁴ Implicit in the NCUC's order is a finding of a community of interest between these exchanges and that the proposed EAS is in the public interest.⁵

¹ In the Matter of Carolina Telephone and Telegraph Company - Holly Ridge to Scotts Hill and Wilmington Extended Area Service, Order Authorizing Extended Area Service and Requiring Southern Bell to Seek Waiver, Docket No. P-7, Sub. 814, NCUC, June 13, 1995, attached as Exhibit "A."

² See Map attached as Exhibit "B." The Wilmington exchange contains 78, 537 local access lines, the portion of the Scotts Hill exchange served by the 270 prefix has 3809 local access lines, and the Holly Ridge exchange has 1689 local access lines.

³ See In the Matter of Carolina Telephone and Telegraph Company - Holly Ridge to Scotts Hill and Wilmington InterLATA Extended Area Service and Louisburg to Zebulon InterLATA Extended Area Service, Order Authorizing Polling, Docket No. P-7, Sub. 814, February 14, 1995, attached as Exhibit "C."

⁴ See Order Authorizing Extended Area Service and Requiring Southern Bell to Seek Waiver. Under the NCUC's rules it was not necessary to ballot the subscribers in the Raleigh exchange. The Commission also ordered BellSouth and Carolina to adopt an implementation schedule. The schedule presented to the NCUC states that the proposed EAS arrangements will be effective on July 13, 1996. Of course, final planning and installation of the necessary facilities must begin several months prior to them.

⁵ NCUC Rule R9-7(e). In addition, the Community of Interest ("CIF") results meet the criteria contained in NCUC Rule R9-7(d)(2). The CIF factor is a ratio of the number of

The limited number of subscribers involved and the small amount of interLATA traffic affected by this proposal ensure that there can be no adverse impact on the interLATA market. The service will be offered as a non-optional EAS plan, consistent with those that have been previously approved by the Court. Therefore, BellSouth requests that the Department recommend the attached waiver to the Court.

Respectfully submitted,

BELLSOUTH CORPORATION

By: Michael J. Schwarz
Walter H. Alford
Executive Vice President and
General Counsel
(admitted pro hac vice)
William B. Barfield
(D.C. Bar No. 52472)
Michael J. Schwarz
(admitted pro hac vice)

Dated: September 21, 1995

Of Counsel:

Leon H. Lee, Jr.
200 S. College Street
1012 Southern National Center
Charlotte, NC 28202
(704) 378-8835

Its Attorneys

Suite 1800
1155 Peachtree Street, N.E.
Atlanta, GA 30309-3610
(404) 249-2641

customer calls placed between two exchanges divided by the total number of customer lines in those exchanges. The standards set out in Rule 9-7(d)(2) demonstrate the existence of a community of interest between the exchanges.

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA,

Plaintiff,

v.

WESTERN ELECTRIC COMPANY
INC., et al.,

Defendants.

Civil Action File
82-0192 (HHG)

**MOTION AND PROPOSED ORDER FOR A WAIVER OF THE
MODIFICATION OF FINAL JUDGMENT TO ALLOW PROVISION OF
NON-OPTIONAL EXTENDED AREA CALLING SERVICE**

In accordance with the procedure set forth in the Court's March 15, 1984 Memorandum Order, the Department has considered the attached request from BellSouth Corporation, and concurs in the request. Therefore, the United States hereby moves this Court to grant a waiver allowing BellSouth to provide two-way non-optional extended area service between the Wilmington Exchange and that portion of the Scotts Hill Exchange served by the 270 prefix of BellSouth in the Wilmington LATA and the Holly Ridge exchange of Carolina Telephone and Telegraph Company in the Fayetteville LATA.

Respectfully submitted,

Donald J. Russell, Esq.
Chief
Communications and Finance Section
Antitrust Division
U.S. Department of Justice
Washington, D.C. 20001

Dated: _____

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA,)

Plaintiff,)

v.)

WESTERN ELECTRIC COMPANY
INC., et al.,)

Defendants.)
_____)

Civil Action File
82-0192 (HHG)

ORDER

Upon consideration of the motion filed by the United States on _____, 1995, to permit BellSouth to provide two-way non-optional extended area service between the Wilmington exchange and that portion of the Scotts Hill exchange served by the 270 prefix of BellSouth in the Wilmington LATA and the Holly Ridge exchange of Carolina Telephone and Telegraph Company in the Fayetteville LATA and noting no objection thereto, it is hereby

ORDERED that the motion is granted and that BellSouth may provide two-way non-optional extended area service across a LATA boundary between the Wilmington exchange and that portion of the Scotts Hill exchange served by the 270 prefix and the Holly Ridge exchange of Carolina Telephone and Telegraph Company.

Harold H. Greene
United States District Judge

Dated: _____

**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. P-7, SUB 814

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Carolina Telephone and Telegraph Company -) ORDER AUTHORIZING
Holly Ridge to Scotts Hill and Wilmington) EXTENDED AREA SERVICE
Extended Area Service) AND REQUIRING SOUTHERN
) BELL TO SEEK WAIVER

BY THE COMMISSION: By Order issued February 14, 1995, the Commission authorized Carolina Telephone and Telegraph Company (Carolina) and Southern Bell Telephone and Telegraph Company (Southern Bell) to poll the subscribers in their respective Holly Ridge and Scotts Hill exchanges to determine the level of support for interLATA extended area service (EAS) between the Holly Ridge exchange and each of the Scotts Hill and Wilmington exchanges. The Scotts Hill and Wilmington exchanges already have EAS between them. Since no local rate increases applied at the Wilmington exchange for establishing the proposed EAS, polling of those subscribers was not necessary.

On May 8, 1995, and May 26, 1995, Carolina and Southern Bell, respectively, submitted the following poll results:

	<u>Holly Ridge</u>	<u>Scotts Hill</u>	
		<u>270 Prefix</u>	<u>686 Prefix</u>
Number of Ballots Mailed	1,623	3,661	5,133
Number and (%) of Eligible Ballots Returned	1,094(67.4)	1,913(52.3)	5,215(42.0)
Number and (%) of Eligible Ballots Returned Voting in Favor			
Residence	933(97.5)	913(56.7)	352(17.9)
Business	137(100.0)	244(80.8)	60(32.1)
Combined	1,070(97.8)	1,157(60.5)	412(19.1)

This matter came before the Regular Commission Conference on June 12, 1995. The Public Staff stated that the results show very strong support by the Holly Ridge subscribers and a mixed outcome by the Scotts Hill subscribers with the 270 prefix supporting the EAS and the 686 prefix opposing its. Based on these results and the decision the Commission made in a recent EAS proposal between the Topsail Island exchange and the Wilmington and Scotts Hill exchanges in Docket No. P-7, Sub 802, the Public Staff recommended that two-way, non-optional interLATA EAS be approved between the Holly Ridge exchange and the Wilmington exchange and the 270

prefix only of the Scotts Hill exchange. Neither Southern Bell nor Carolina opposed the Commission's decision in Docket No. P-7, Sub 802, approving EAS between the Topsail Island and Wilmington exchanges and the 270 prefix only of the Scotts Hill exchange.

Accordingly, the Public Staff recommended that the Commission issue an Order approving two-way, non-optional EAS between the Holly Ridge exchange and the Wilmington exchange and the 270 prefix only of the Scotts Hill exchange and requiring Southern Bell to seek a waiver from the federal courts to provide the interLATA EAS.

WHEREUPON, the Commission reaches the following

CONCLUSIONS

After careful consideration of the filings in this docket, the Commission concludes that two-way, non-optional EAS between the Holly Ridge exchange and the Wilmington exchange and the 270 prefix only of the Scotts Hill exchange should be approved and that Southern Bell should be required to seek a waiver from the federal courts to provide the interLATA EAS.

IT IS, THEREFORE, ORDERED as follows:

1. That two-way, non-optional EAS between the Holly Ridge exchange and the Wilmington exchange and the 270 prefix only of the Scotts Hill exchange be approved.
2. That Southern Bell immediately begin proceedings in the federal court to obtain the waiver necessary to implement the EAS over an interLATA route and report to the Commission within six months of the effective date of this Order its progress in obtaining the waiver.
3. That, after the waiver shall have been obtained, Carolina and Southern Bell submit a time schedule to the Commission for establishing the EAS service and filing the necessary tariffs with the Commission effective upon the in-service date of the EAS.

ISSUED BY ORDER OF THE COMMISSION.

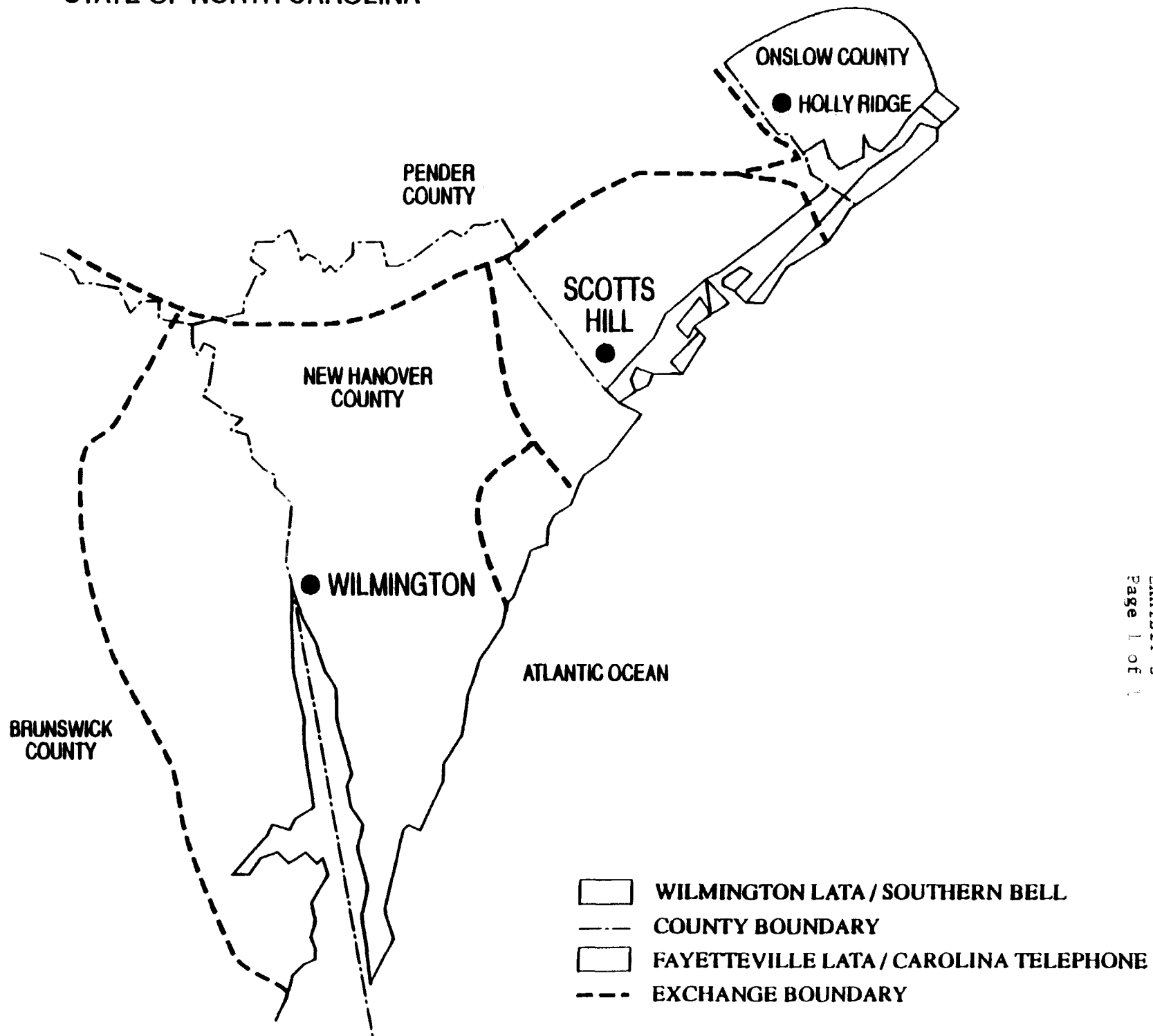
This the 13th day of June 1995.

NORTH CAROLINA UTILITIES COMMISSION

(SEAL)


Geneva S. Thigpen, Chief Clerk

STATE OF NORTH CAROLINA



**STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH**

DOCKET NO. P-7, SUB 814

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Carolina Telephone and Telegraph Company -)
Holly Ridge to Scotts Hill and Wilmington)
InterLATA Extended Area Service) ORDER AUTHORIZING POLLING

BY THE COMMISSION: On December 15, 1994, the Public Staff received a letter from Mr. Jeffrey L. Hudson, Holly Ridge Town Manager, and Mr. Robert A. King, a Holly Ridge subscriber, submitting resolutions, letters and petitions in support of two-way, non-optional interLATA extended area service (EAS) between Carolina Telephone and Telegraph Company's (Carolina's) Holly Ridge exchange, which is in Carolina's Fayetteville LATA, and each of Southern Bell Telephone and Telegraph Company's (Southern Bell's) Scotts Hill and Wilmington exchanges, both of which are in Southern Bell's Wilmington LATA. The Holly Ridge exchange, which currently has 1,622 local access lines with approximately 53% in Pender County and 47% in Onslow County, is 18 air-line miles (ALM) from the Scotts Hill exchange and 29 ALM from the Wilmington exchange. The Holly Ridge exchange currently has EAS to the six other exchanges serving Onslow County. The Wilmington exchange, which currently has 78,537 local access lines, and the Scotts Hill exchange, which currently has 8,531 local access lines, have EAS to each other as well as to the Castle Hayne and Wrightsville Beach and Acme exchanges. In addition, the Wilmington exchange has EAS to the Carolina Beach and Acme exchanges. Both the Wilmington exchange and the 270 prefix of the Scotts Hill exchange (Hampstead Area) have been approved for EAS to the Topsail Beach exchange to be implemented in October 1995.

Support for the proposed EAS comes from the Pender County and Onslow County Boards of Commissioners, the Town of Holly Ridge, the Onslow County Economic Development Commission, the Pender County Board of Education, Topsail Middle School and Topsail High School, the Greater Topsail Area Chamber of Commerce and Tourism, the Holly Ridge Volunteer Fire Department and Rescue Squad, Senior Citizens Services of Pender County, several churches, businesses and petitions signed by approximately 1,650 subscribers in the Holly Ridge and Scotts Hill exchanges.

Carolina and Southern Bell have provided the following results of toll calling studies made between the affected exchanges:

<u>Exchanges</u>	<u>CIF</u>			<u>PMC (%)</u>		
	<u>Res.</u>	<u>Bus.</u>	<u>Combined</u>	<u>Res.</u>	<u>Bus.</u>	<u>Combined</u>
Holly Ridge to Scotts Hill	3.9	1.5	3.6	44	21	41
Scotts Hill to Holly Ridge	-	-	0.15	-	-	-
Holly Ridge to Wilmington	5.4	3.7	5.2	56	30	52
Wilmington to Holly Ridge	-	-	0.08	-	-	-

This matter came before the Regular Commission Conference on February 13, 1995. The Public Staff noted that these results meet the criteria set out in Commission Rule R9-7(d)(2) for an intra-county, noncounty-seat EAS proposal in the case of Holly Ridge to Scotts Hill EAS, and for an inter-county EAS proposal between exchanges without a common boundary as in the case of Holly Ridge to Wilmington EAS.

Based on application of Carolina's and Southern Bell's EAS matrix tariffs, the following monthly basic local rate increase would apply for establishing the proposed EAS:

<u>Exchange</u>	<u>Residence</u>	<u>Business</u>
Holly Ridge	\$0.54	\$1.25
Scotts Hill (270 prefix)	\$0.67	\$1.61
Scotts Hill (686 prefix)	\$0.74	\$1.82
Wilmington	\$0.00	\$0.00

Accordingly, the Public Staff recommended that the Commission issue an Order authorizing Carolina and Southern Bell to poll the subscribers in their respective Holly Ridge and Scotts Hill exchanges to determine the level of support for the proposed EAS with the poll results to be submitted separately for residential and business subscribers.

The following persons spoke in favor of the proposed EAS: Mr. Greg Hines, Mayor of Holly Ridge; Mr. Robert King, a former Pender County Commission; Mr. Enile Rudner of the Pender County School Board; Mr. Edward Dowd, a local pastor near Hampstead; Mr. Jeffrey Hudson, Town Manager of Holly Ridge; and Mr. Tony Padgett, an Onslow County Commissioner.

WHEREUPON, the Commission reaches the following

CONCLUSIONS

After careful consideration of the filings in this docket, the Commission concludes that good cause exists to approve the Public Staff's recommendation for the reasons generally as set out by the Public Staff and the proponents of the EAS.

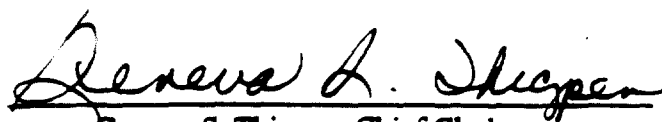
IT IS, THEREFORE, ORDERED as follows:

1. That Carolina and Southern Bell be authorized to poll the subscribers in their respective Holly Ridge and Scotts Hill exchanges to determine the level of support for the proposed EAS, utilizing the polling letter attached to this Order as Appendix A as an example.
2. That the poll results be submitted separately for residential and business subscribers by Carolina and Southern Bell as soon as the results are known.

ISSUED BY ORDER OF THE COMMISSION.

This the 14th day of February 1995.

NORTH CAROLINA UTILITIES COMMISSION


Geneva S. Thigpen, Chief Clerk

(SEAL)

Commissioner Laurence A. Cobb did not participate in this decision.

APPENDIX A

STATE OF NORTH CAROLINA
UTILITIES COMMISSION
RALEIGH

DOCKET NO. P-7, SUB 814

BEFORE THE NORTH CAROLINA UTILITIES COMMISSION

In the Matter of
Holly Ridge to Scotts Hill and Wilmington)
InterLATA Extended Area Service)
NOTICE TO HOLLY RIDGE SUBSCRIBERS
REGARDING EAS TO THE SCOTTS HILL
AND WILMINGTON EXCHANGES

NOTICE IS HEREBY GIVEN that Carolina Telephone and Telegraph Company has been authorized by the North Carolina Utilities Commission to poll the telephone subscribers in its Holly Ridge exchange (329) regarding the matter of two-way, non-optional extended area service (EAS) to Southern Bell Telephone and Telegraph Company's Scotts Hill (270, 686) and Wilmington exchanges. The purpose of the poll is to determine how many Holly Ridge subscribers are in favor of paying higher monthly flat rates in lieu of toll charges for calling to Scotts Hill and Wilmington. Your existing local calling area will not be affected by this proposal.

**BASIC MONTHLY RATE INCREASES FOR
EAS TO SCOTTS HILL AND WILMINGTON**

<u>Residence</u>	<u>Business</u>
\$0.54	\$1.25

You are requested to consider the question, mark your preference on the enclosed postcard ballot (stamped and preaddressed), and mail the ballot at your earliest convenience. Ballots postmarked after midnight _____ 1995, will not be counted in the vote. In addition, the ballot must be signed by the customer and a telephone number must be provided in order for the ballot to be counted in the vote. Under the Commission's Rules, you are entitled to as many votes as you have access lines. Please list on the ballot the telephone number of each line to which you subscribe at the address on the mailing. IF YOU WISH TO HAVE A VOICE IN THIS DECISION, YOU MUST RETURN YOUR MARKED BALLOT. The Commission's decision on the EAS proposal will be announced after the poll has been completed.

If you need additional information about this matter, you may contact your local telephone office (), or the Public Staff, Post Office Box 29520, Raleigh, North Carolina 27626-0520, 919-733-0882.

ISSUED BY ORDER OF THE COMMISSION.

The 14th day of February 1995.

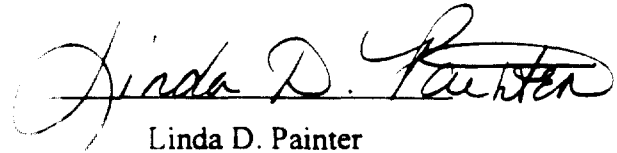
NORTH CAROLINA UTILITIES COMMISSION

Geneva S. Thigpen
Geneva S. Thigpen, Chief Clerk

(SEAL)

CERTIFICATE OF SERVICE

I hereby certify that on this 21st day of September, 1995, a copy of the foregoing was served by first-class U.S. Mail, postage prepaid, to the parties on the attached service list.


Linda D. Painter

ATTACHMENT IV

Michael J. Schwarz
General Attorney

BellSouth Corporation
Legal Department-Suite 1800
1155 Peachtree Street, N.E.
Atlanta, Georgia 30367-6000
404 249-2655

December 22, 1995

Donald J. Russell, Esq.
Chief, Communications and Finance Section
Antitrust Division
U.S. Department of Justice
555 Fourth Street, N.W.
Room 8104
Washington, D.C. 20001

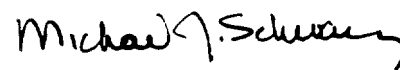
Re: Request by BellSouth Corporation for a Waiver of the Modification of Final Judgment to Provide Two-Way Non-Optional EAS Across a LATA Boundary Between the Apex, Cary, and Raleigh Exchanges of BellSouth and the Pittsboro Exchange of Carolina Telephone.

Dear Mr. Russell:

Attached is a request by BellSouth Corporation on behalf of BellSouth Telecommunications, Inc., doing business as BellSouth, for a waiver to provide two-way non-optional extended area service between the Apex, Carey, and Raleigh exchanges of BellSouth in the Raleigh LATA and the Pittsboro exchange of Carolina Telephone and Telegraph Company in the Fayetteville LATA.

Copies of this request have been served upon the persons listed on the attached Certificate of Service.

Sincerely,



Michael J. Schwarz

MJS/lp
Attachments

cc: J. Philip Sauntry, Jr., Esq.

**NOTICE OF FILING WITH THE DEPARTMENT OF JUSTICE
UNDER SECTION VIII(C) OF THE
MODIFICATION OF FINAL JUDGMENT**

This is to advise you that BellSouth Corporation has submitted, pursuant to procedures set forth by the United States District Court for the District of Columbia in United States v. Western Electric Co., Inc. and American Telephone and Telegraph Company, C.A. 82-0192-HHG, the attached Request of BellSouth Corporation for a Waiver of the Modification of Final Judgment to Allow Provision of Two-Way Non-Optional Extended Area Service Across a LATA Boundary Between the Apex, Carey, and Raleigh Exchanges of BellSouth in the Raleigh LATA and the Pittsboro Exchange of Carolina Telephone and Telegraph Company in the Fayetteville LATA. The Department of Justice will receive comments concerning this request, which should be directed to:

Donald J. Russell, Esq.
Chief, Communications and Finance Section
Antitrust Division
U.S. Department of Justice
555 Fourth Street, N.W., Room 8104
Washington, D.C. 20001

Comments should be submitted within twenty-one (21) days. Copies of any such comments should also be served upon undersigned counsel.

Respectfully submitted,

BELLSOUTH CORPORATION

By: Michael J. Schwarz
Walter H. Alford
Executive Vice President and
General Counsel
(admitted pro hac vice)
William B. Barfield
(D.C. Bar No. 52472)
Michael J. Schwarz
(admitted pro hac vice)

Dated: December 22, 1995

Of Counsel:

Leon H. Lee, Jr.
200 S. College Street
1012 Southern National Center
Charlotte, NC 28202
(704) 378-8835

Its Attorneys

Suite 1800
1155 Peachtree Street, N.E.
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(404) 249-2641

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA,)

Plaintiff,)

v.)

WESTERN ELECTRIC COMPANY
INC., et al.,)

Defendants.)

Civil Action File
82-0192 (HHG)

**REQUEST OF BELL SOUTH CORPORATION FOR A WAIVER
OF THE MODIFICATION OF FINAL JUDGMENT TO ALLOW
PROVISION OF TWO-WAY NON-OPTIONAL EXTENDED AREA SERVICE
ACROSS A LATA BOUNDARY BETWEEN THE APEX, CAREY AND RALEIGH
EXCHANGES OF BELL SOUTH IN THE RALEIGH LATA AND THE
PITTSBORO EXCHANGE OF CAROLINA TELEPHONE AND TELEGRAPH
COMPANY IN THE FAYETTEVILLE LATA**

BellSouth Corporation, on behalf of its operating telephone company subsidiary, BellSouth Telecommunications, Inc., doing business as BellSouth ("BellSouth"), pursuant to Section VIII(C) of the Decree, requests a waiver of the line of business restrictions that would permit it to provide two-way non-optional extended area service ("EAS") across a LATA boundary. The North Carolina Utilities Commission ("NCUC") has issued an order requiring BellSouth and Carolina Telephone and Telegraph Company ("Carolina") to take the action necessary to provide EAS between the Apex, Cary and Raleigh exchanges and the Pittsboro exchange.¹

¹ In the Matter of Carolina Telephone and Telegraph Company - Pittsboro to Apex, Cary, and Raleigh Extended Area Service, Order Authorizing Extended Area Service and Requiring Southern Bell to Seek Waiver, Docket No. P-7, Sub. 817, NCUC, August 1, 1995, attached as Exhibit "A."

BellSouth's Apex, Cary, and Raleigh exchanges are in the Raleigh LATA and Carolina's Pittsboro exchange is in the Fayetteville, North Carolina LATA.² The NCUC ordered Carolina to poll its subscribers based on support from numerous governmental bodies, schools, churches, civic groups, and petitions signed by approximately 2000 subscribers in the affected exchanges.³ As shown in the NCUC's Order of August 21, 1995, over 93 percent of the Pittsboro subscribers who returned their ballots favored the EAS proposal.⁴ Implicit in the NCUC's order is a finding of a community of interest between these exchanges and that the proposed EAS is in the public interest.⁵

The limited number of subscribers involved and the small amount of interLATA traffic affected by this proposal ensure that there can be no adverse impact on the interLATA market. The service will be offered as a non-optional EAS plan, consistent with those that have been previously approved by the Court. Therefore, BellSouth requests that the Department recommend the attached

² See Map attached as Exhibit "B." The Apex exchange has 14,848 access lines, the Cary exchange has 45,923 access lines and the Raleigh exchange has 292,868 access lines. Carolina's Pittsboro exchange has 6,521 access lines.

³ See In the Matter of Carolina Telephone and Telegraph Company - Pittsboro to Apex, Cary, and Raleigh Extended Area Service, Order Authorizing Polling, Docket No. P-7, Sub. 817, May 18, 1995, attached as Exhibit "C."

⁴ See Order Authorizing Extended Area Service and Requiring Southern Bell to Seek Waiver. Under the NCUC's rules it was not necessary to ballot the subscribers in the Apex, Cary, or Raleigh exchanges. The Commission also ordered BellSouth and Carolina to adopt an implementation schedule. The schedule presented to the NCUC states that the proposed EAS arrangements will be effective on August 17, 1996. Of course, final planning and installation of the necessary facilities must begin several months prior to them.

⁵ NCUC Rule R9-7(e). In addition, the NCUC found that the adjusted Community of Interest ("CIF") results meet the criteria contained in NCUC Rule R9-7(d)(2). The CIF factor is a ratio of the number of customer calls placed between two exchanges divided by the total number of customer lines in those exchanges. The standards set out in Rule 9-7(d)(2) demonstrate the existence of a community of interest between the exchanges.

waiver to the Court.

Respectfully submitted,

BELLSOUTH CORPORATION

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UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA,)

Plaintiff,)

v.)

WESTERN ELECTRIC COMPANY)
INC., et al.,)

Defendants.)

Civil Action File
82-0192 (HHG)

**MOTION AND PROPOSED ORDER FOR A WAIVER OF THE
MODIFICATION OF FINAL JUDGMENT TO ALLOW PROVISION OF
NON-OPTIONAL EXTENDED AREA CALLING SERVICE**

In accordance with the procedure set forth in the Court's March 15, 1984 Memorandum Order, the Department has considered the attached request from BellSouth Corporation, and concurs in the request. Therefore, the United States hereby moves this Court to grant a waiver allowing BellSouth to provide two-way non-optional extended area service between the Apex, Carey, and Raleigh Exchanges in the Raleigh LATA and the Pittsboro exchange of Carolina Telephone and Telegraph Company in the Fayetteville LATA.

Respectfully submitted,

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Dated: _____